



*an independent federal advisory committee
on environmental sustainability in the
U.S.-Mexico border region*

Chair

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March 28, 2001

The President
The Vice-President
Speaker of the House
The White House
Washington, DC 20500

RE: Budget Appropriation for the Border Environment Infrastructure Fund (BEIF)

Dear Mr. President:

The Good Neighbor Environmental Board strongly urges the appropriation of a specific budget line item of \$100 million for the U.S. Environmental Protection Agency's (EPA) Border Environment Infrastructure Fund (BEIF) in the federal budget for fiscal year 2002.

U.S./Mexico Border Environmental Infrastructure Needs and the BEIF Program

The Border Environment Infrastructure Fund (BEIF) is an EPA-funded North American Development Bank (NADB) program. This program is designed to make environmental infrastructure projects affordable for communities throughout the U.S.-Mexico border region by combining grant funds provided by EPA with loans or guaranties for projects that would otherwise be financially unfeasible. Environmental infrastructure projects considered for funding by the NADB must be certified by its sister organization, the Border Environment Cooperation Commission (BECC). Both of these institutions were created under NAFTA specifically to help address the environmental infrastructure deficiencies in the U.S.-Mexico border region.

Originally envisioned as a seven-year program with \$100 million appropriated in grants each year, the BEIF has been considerably reduced in the past three years. For fiscal year 1999, the BEIF allocation was \$75 million. It was \$50 million for fiscal years 2000 and 2001.

This decrease in EPA BEIF appropriations is in direct contrast to the increase in funding needs for environmental infrastructure: NADB projections for environmental infrastructure funding needs were \$192.1 million for 1999, \$213.6 million for 2000 and \$739.2 for years 2001-2003. Of these overall projections, NADB estimates that for the period covering 1999-2003, grant funding needs from BEIF will exceed \$560 million, and at least another \$500 million for the period covering 2004-2009, with total project costs estimated to exceed \$1 billion during this second five-year period. In summary, these needs far exceed the amount of funds that have been allocated for the BEIF program in recent years.

Role of the Good Neighbor Environmental Board

The Good Neighborhood Environmental Board (GNEB) is a federal advisory committee created to advise the President and the Congress about environmental and infrastructure issues and needs within the states contiguous to Mexico. It was created by the Enterprise for the Americas Initiative Act of 1992 (EAlA) (7 U.S. Code Section 5404). Board membership includes representatives from federal agencies; the state governments of Arizona, California, New Mexico, and Texas; the business sector; the tribal sector; and community development, academic, health, environmental, and other non-governmental entities. A Presidential Executive Order delegates implementation authority to the Administrator of the U.S. Environmental Protection Agency (EPA). The GNEB operates under the Federal Advisory Committee Act (FACA) and meets three times annually at locations along the U.S./Mexico border.

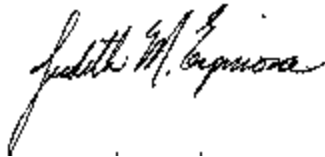
Conclusion

The Good Neighbor Environmental Board strongly recommends that a specific budget line item of \$100 million be appropriated for the EPA BEIF grant program. It puts forward this recommendation in its capacity as advisor to the President and Congress on environmental and infrastructure needs for the U.S./Mexico border region.

The Board urges this step be taken because of the diminishing funding sources allocated to address these needs. Though such an appropriation would not address all of the environmental infrastructure needs, it certainly would assist in mitigating continued degradation of the environmental conditions within the region. These improvements are vital to the quality-of-life conditions that promote sustainable development in an increasing populated region that is the heart of economic trade between the U.S. and Mexico.

The Board appreciates the opportunity to offer this funding recommendation and looks forward to a response. GNEB welcomes ongoing dialogue on the implementation process for the appropriation of funds for the BEIF program and related issues.

Respectfully yours,



Judith M. Espinosa, Chair

cc: Christine Todd-Whitman, Administrator, U.S. Environmental Protection Agency
John Howard, President's Council on Environmental Quality
Senators, States of Arizona, California, New Mexico, and Texas
Chair, Border Governors' Association
Chair, Western Governor's Association
Chair, Hispanic Congressional Caucus Chair
Chair, Border Trade Alliance Environment Committee
Chair and Members, Congressional Border Caucus
Chair, Senate Appropriations Subcommittee on VA, HUD, & Independent Agencies
Chair, House Appropriations Subcommittee on VA, HUD, & Independent Agencies